

EDUCATION REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Lieutenant Governor's Office as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, April 11, 2001

Time: 10:00 a.m.

Place: Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Charles Aki, Chair
Patricia Choi, Vice Chair
Michael Ching, Member
Casey Choi, Member
Alfredo Evangelista, Member
John Ohama, Member
Iris Okawa, Member
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Iris Ikeda Catalani, Senior Real Estate Specialist
Lorene K. Arata, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Gina Watumull, Condominium Specialist
Cheryl Leong, Condominium Specialist
Karyn Takahashi, Recording Secretary

Marsha Shimizu, Hawaii Association of REALTORS®
Brian Thomas, EdVentures, Continuing Education and Prelicense Instructor
Kay Lorraine, CCIM Hawaii Chapter

Excused: Mitchell Imanaka, Member

Call to Order: Chair Aki called the meeting to order at 10:08 a.m., at which time quorum was established.

ERC Chair Report: No report.

Senior Real Estate
Specialist's Report:

Announcements, Introduction, Correspondence, and Additional Distribution

Upon a motion by Commissioner Ching, seconded by Commissioner Evangelista, it was voted on and unanimously carried to add the following to the agenda:

4. Continuing Education Administration, Curriculum, Courses, Providers, and Instructors
 - a. Administrative Issues – "Essentials of Listing" CE class offered by Hawaii Island Board of REALTORS® on March 5, 2001
 - b. Applications
 - 1) 2001-2002 Continuing Education Providers and Courses Ratification List
 - 2) Elective Course – "1031 Tax Deferred Exchanges"/"1031 Advanced Course," Author/Owner: National Association of REALTORS®, Provider: Professional Exchange Accommodators, Course Clock Hours: 6
 - 3) Elective Course – Commercial Real Estate Contracts Analysis "Speaking the Same Language," Author/Owner: CCIM – Hawaii Chapter, Provider: Hawaii CCIM Chapter, Course Category: Contracts, Course Clock Hours: 3
6. Administration of Examinations
 - a. ASI – Distributed at LRRC Meeting
8. Program of Work, FY01
 - b. Annual Report, Quarterly Bulletin, and School Files
 - 1) Quarterly Bulletin – Education Calendar Instruction Clarification

The following were distributed as additional distribution:

8. Program of Work, FY01
 - b. Annual Report, Quarterly Bulletin, and School Files – Bulletin Printing Contract
 - g. Real Estate Seminars – "Fair Housing: 2001 and Beyond," April 24, 2001, Oahu; April 25, 2001, Maui; April 26, 2001, Big Island – contact Hawaii Association of REALTORS®

Minutes of Meetings

Upon a motion by Commissioner Evangelista, seconded by Commissioner P. Choi, it was voted on and unanimously carried to accept the minutes of the March 14, 2001 Education Review Committee meeting.

Continuing Education: Administrative Issues

"Essentials of Listing" CE class offered by Hawaii Island Board of REALTORS® on March 5, 2001

Senior Specialist Catalani reported that she received complaints regarding the "Essentials of Listing" continuing education course offered on March 5, 2001, by the Hawaii Island Board of REALTORS® ("HIBR"). She stated that students attended this course with the understanding that they would receive three hours of continuing education credit; however, because a course offering was not submitted to staff prior to the offering of the course, continuing education credit could not be given.

Senior Specialist Catalani reported that after speaking with a representative of HIBR, she was informed that because HIBR could not meet the 14-day submission deadline they did not submit the paperwork to HAR. She was also told that HAR would not submit paperwork after the fact.

Senior Specialist Catalani stated that in order to address this situation, it is recommended that HIBR do the following:

1. Inform, in writing, to all students who took the "Essentials of Listing" class, that the class was not CE certified and that they would not be receiving CE credit.
2. Offer a refund to the students who took the course, since the students did not get what they bargained for, which was the CE credit.
3. If applicable, offer restitution for students who incurred expenses in order to take this course, i.e. airfare expenses, vehicle rental fees, hotel/accommodations expenses.

Chair Aki inquired that since this course is approved by the Commission as a continuing education course can the continuing education credit be given if HAR submits the course offering now.

At this time, Marsha Shimizu, HAR, stated that the reason the course offering was not submitted was due to the fact that the HIBR re-scheduled the course from its original date and at that point, it was past the 14-day submission deadline. At that point, HIBR decided not to offer continuing education credit for the course.

Chair Aki inquired if HAR would be willing to submit the paperwork now so that students can receive the continuing education credit. Ms. Shimizu agreed to submit the paperwork and issue the continuing education certificates.

Upon a motion by Commissioner P. Choi, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval of 3 continuing education credit hours for the Hawaii Association of REALTORS® course offering of "Essentials of Listing" on March 5, 2001 by the Hawaii Island Board of REALTORS®.

Applications

2001 - 2002 Continuing Education Providers and Courses Ratification List

Upon a motion by Commissioner Evangelista, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval of the following registrations/certifications:

Registration/Certification

Effective Date

Nationally Certified Courses

"RS 206 Using Today's Technology to Capture Your Market" 04/09/01
(Owner/Author: Hawaii Association of REALTORS®)

Elective Course – "1031 Tax Deferred Exchanges"/"1031 Advanced Course," Author/Owner: National Association of REALTORS®, Provider: Professional Exchange Accommodators, Course Clock Hours: 6

Senior Specialist Catalani reported that this is a 6 hour credit course; the provider, Professional Exchange Accommodators, has just been approved as a continuing education provider; and the provider wants to offer this course as a nationally approved continuing education course through the National Association of REALTORS® ("NAR"), however, NAR has not approved this course. Senior Specialist Catalani added that the proposed instructors are also not approved by NAR; however, the Commission has the authority to approve/accept the national organizations that the instructors belong to per §467-4.5(d)(1)(D), Hawaii Revised Statutes.

Upon a motion by Commissioner P. Choi, seconded by Commissioner Ohama, it was voted and unanimously carried to recommend approval of "1031 Tax Deferred Exchanges"/"1031 Advanced Course" as a three clock hour continuing education elective course as a national course subject to provider submitting appropriate documentation of National Association of REALTORS® course approval; and recommend approval of instructors for "1031 Tax Deferred Exchanges"/"1031 Advanced Course" as instructors as a member of a nationally certified organization of the National Association of CLE's and National Association of CPA's.

Elective Course – Commercial Real Estate Contracts Analysis "Speaking the Same Language," Author/Owner: CCIM – Hawaii Chapter, Provider: Hawaii CCIM Chapter, Course Category: Contracts, Course Clock Hours: 3

Ms. Kay Lorraine was present to answer questions.

Upon a motion by Commissioner P. Choi, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend approval of "Commercial Real Estate Contracts Analysis 'Speaking the Same Language'" as a three clock hour continuing education elective course under the course category Contracts.

Chair Aki thanked Ms. Lorraine for attending the meeting.

At this time, Ms. Lorraine stated that CCIM – Hawaii Chapter is attempting to offer more commercial continuing education courses, especially at the outer islands.

Continuing Education 2001-02 Core Course

Senior Specialist Catalani reported that the core course focus group will be meeting this afternoon.

Administration of
Examinations:

Test Development

Senior Specialist Catalani reported that a test development workshop has been scheduled with ASI on May 24-25, 2001, at the Ala Moana Hotel. She added that the following individuals have been confirmed to attend and participate:

Leonard Katcher
John Ohama
Patricia Choi
Peter Yanigawa
Cynthia Alm
David Pietch
Staff

Educator's Forum:

Hawaii Association of REALTORS® – No discussion presented

Hawaii Chapter of Real Estate Educators Association – no discussion presented.

Hawaii Association of Real Estate Schools (HARES) – no discussion presented.

Public and Private Institutions of Higher Education – no discussion presented.

Program of Work:

Annual Report, Quarterly Bulletin, and School Files

Bulletin Printing Contract

Senior Specialist Catalani reported that specifications for bulletin printing went out for proposal. She noted that there was one vendor whose bid was under \$25,000—Pacific Printing and Publishing. Bids were also received from Cardinal Mailing Services Ltd., Pioneer Ventures Inc. dba Fisher & Pioneer Printers, Service Printers, Inc. and the Department of Public Safety Hawaii Correctional Industries. A bid request was submitted to Hagadone Printing Company, but no response was received.

Commissioner Ohama requested clarification/verification quoted amounts with the vendors for up to four bulletins a year.

Upon a motion by Commissioner Ohama, seconded by Commissioner Evangelista, it was voted on and unanimously carried to defer this issue to the April 27, 2001, Real Estate Commission meeting in order to verify quoted amounts with vendors for up to four bulletins a year.

Quarterly Bulletin – Education Calendar Instruction Clarification

Senior Specialist Catalani stated that clarification of the continuing education instructions that appeared in the February 2001 issue of the Bulletin is needed.

Upon a motion by Commissioner Ohama, seconded by Commissioner P. Choi, it was voted on and unanimously carried to recommend approval of the Education Calendar Instruction Clarification to:

1. Revise elective credit hours from 3 1/3 credit hours to 3 credit hours;
2. 1999-2000 core course not necessarily needed to renew, restore or reactivate a license; and
3. in lieu of the core course, licensees who wish to restore or reactivate a license need at least 10 credit hours of continuing education or 4 continuing education elective courses.

Neighbor Island Outreach

SEO Kimura reported that the May Committee meetings will be held on Wednesday, May 11, 2001 at the State Office Building, Conference Rooms A, B, and C, 3060 Eiwa Street, Second Floor, Lihue, Kauai, and will be convened as follows: Laws and Rules Review Committee meeting at 9:30 a.m; Education Review Committee meeting at 10:00 a.m.; and Condominium Review Committee meeting at 11:00 a.m.

It was decided that the August Committee meetings will be held on Monday, August 6, 2001 in Kona in conjunction with the Hawaii Association of REALTORS® annual convention. The meetings will be convened at the following times: Laws and Rules Review Committee at 1:00 p.m.; Education Review Committee at 1:30 p.m.; and the Condominium Review Committee at 2:30 p.m.

Real Estate Seminars – "Fair Housing: 2001 and Beyond," April 24, 2001, Oahu; April 25, 2001, Maui; April 26, 2001, Big Island – contact Hawaii Association of REALTORS®

The flyer for the "Fair Housing: 2001 and Beyond" seminar was distributed to the Commissioners for their information. Senior Specialist Catalani reported the flyer has been distributed and also posted on the Commission's web site.

Commissioner Ching stated that he had received some complaints from individuals inquiring as to why this seminar is not being offered in Kauai.

SEO Kimura stated that the ERC decision to hold on Maui and Kona was primarily based on past participation from the condominium community as the seminar is funded from CMEF and REEF. From a cost per attendee basis, neighbor islands will be higher as participation is low.

Real Estate Seminars – SWAT Education Program

SEO Kimura discussed the educational phase of Chapter 99, Hawaii Administrative Rules (“SWAT rules”). Although the educational phase has been initiated with discussions, presentations, and distribution of the proposed rules to the real estate licensing community, the next step, upon formal approval, will be amendment of the public copy of the rules with subsequent distribution to each principal broker and prelicensing instructors, presentations in the *Real Estate Bulletin*, *School Files*, and Commission web site, articles in the Realtor's bulletins and hopefully web site, speakerships, inclusion in the Commission's CE core course, etc.

Because SWAT rules and statutory amendments represent a dramatic change, SEO Kimura is recommending the development of a CE course by Staff/Commissioners with consultation with CE instructors. The shakedown session to be conducted in Kauai, as the Kauai Board of REALTORS® (“KBR”) are about to become a continuing education provider and are interested in presenting the subject SWAT continuing education course. The course curriculum will be made available to any CE provider at no charge. If successful in Kauai, the Commission may want to consider working with a Hilo CE provider and/or working with HAR.

Upon a motion by Commissioner Ohama, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval to proceed with designing a curriculum for continuing education course and initiate arrangements with Kauai Board of REALTORS® and a Hilo continuing education provider to provide initial classes.

Open Forum:

At this time, Commissioner Ching voiced concerns regarding prelicense schools using out dated two page DROA forms, as well as old books for listing contracts, in their prelicense classes.

Mr. Brian Thomas stated that the curriculum being used only deals with the old DROA. He stated that he does not know what is covered on the exam; however, the old DROA is ineffective. He added that prelicense does not help an individual practice real estate, but helps the individual understand real estate.

SEO Kimura stated that the Commission does not endorse any preprinted contracts, documents, etc.

Upon a motion by Commissioner Ching, seconded by Commissioner Evangelista, it was voted on and unanimously carried to recommend sending letters to prelicense schools to request they use the most up to date forms and books.

Senior Specialist Catalani added that she will write an article for the upcoming *School Files* regarding this decision.

Next Meeting: **Friday, May 11, 2001**
 10:00 a.m.
 State Office Building
 Conference Rooms A, B and C
 3060 Eiwa Street, Second Floor
 Lihue, Kauai, Hawaii

Adjournment: With no further business to discuss, Chair Aki adjourned the meeting at
 10:58 a.m.

Respectfully submitted by:

/s/ Iris Ikeda Catalani
Iris Ikeda Catalani
Senior Real Estate Specialist

May 11, 2001
Date

[X] Minutes approved as is.
[] Minutes approved with changes.

IIC:kt
04/16/01